

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2000

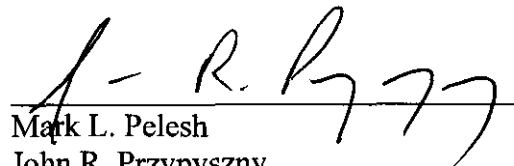
Docket No. R2000-1

**RESPONSE OF ASSOCIATION OF AMERICAN PUBLISHERS
WITNESS STEPHEN SIWEK TO INTERROGATORIES OF
THE MAIL ORDER ASSOCIATION OF AMERICA
(MOAA/AAP-T2-6)**

The Association of American Publishers hereby provides the response of witness Stephen Siwek to the following interrogatories of the Mail Order Association of America, filed on June 27, 2000.

Each interrogatory is stated verbatim and is followed by the response.

Respectively submitted,



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RESPONSE OF ASSOCIATION OF AMERICAN PUBLISHERS WITNESS
STEPHEN SIWEK TO INTERROGATORIES OF
THE MAIL ORDER ASSOCIATION OF AMERICA

MOAA/AAP-T2-6

In your response to MOAA/AAP-T-2-2 you refused to confirm the accuracy of a table that was prepared on the basis of your Attachment 4, Table 1, page 1 (As was shown in footnote 1 of the question, but omitted from your response). Instead, you stated that your “proposed per piece discounts for BPM...were provided in my Attachment 6.” Attachment 6, however, does not provide your per-piece discount proposal in the format shown in Attachment 4. Therefore, please provide what you consider to be the proper Postal Service cost “savings” for entry at the DBMC, DSCF and DDU entry levels, the percentages of those savings that should be reflected in discounts at the DBMC, DSCF and DDU entry levels, the per-piece discounts that you propose for each of those entry levels and the amount of Postal Service savings not passed through for each of those entry levels.

RESPONSE

The Attachment to this response provides cost savings, discounts and pass-through information in the format that you request for the BPM discount proposals that were reflected in my Attachment 6. It is important to note that the Attachment to this response provides cost savings “as per the USPS.” However, these USPS cost savings estimates do not necessarily reflect what I consider to be “proper” Postal Service cost savings for destination entry. My recommended pass-through proposals assumed but did not endorse the destination entry cost savings calculations presented by the Postal Service. For example, in my Direct Testimony, I stated at

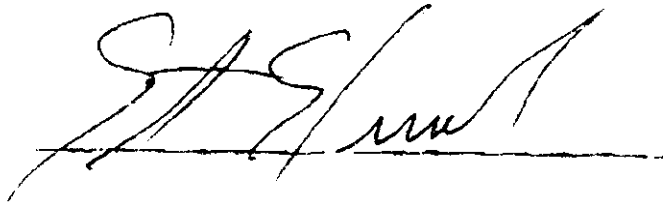
lines 25-27 of page 3, “[I]ndeed the proposed destination entry discounts do not even align rates with costs claimed by the USPS”. In addition, at lines 6-9 of page 4 of my Direct Testimony, I stated “[f]or this reason, even assuming that the Postal Service has accurately measured the cost savings associated with destination entry, the destination entry discounts proposed by the USPS are plainly not cost based.”

BPM DISCOUNTS

| Basic Presort | Savings As Per USPS | Per Piece Discount | USPS Savings Not Passed Through |
|------------------------------|----------------------------|---------------------------|--|
| DBMC | \$0.380 | \$0.195 | \$0.185 |
| DSCF | \$0.529 | \$0.195 | \$0.334 |
| DDU | \$0.656 | \$0.195 | \$0.461 |
| Carrier Route Presort | \$0.077 | \$0.077 | \$0.000 |
| Bar Code | \$0.029 | \$0.030 | (\$0.001) |

DECLARATION

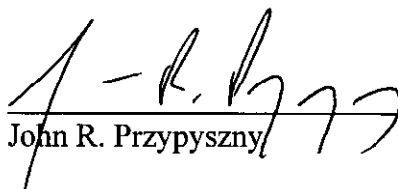
I, Stephen Siwek, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'S. Siwek', written over a horizontal line.

Dated: July 12, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



John R. Przypyszny

Washington, D.C.
July 12, 2000